

8 February 1954

25X1A

[REDACTED]

Dear Sir:

Sub-contractor's proposal for duct lining for the subject project, submitted by your letter of 23 December 1954, had been reviewed and the material quantities and costs are satisfactory. However, the item for hours of labor is about twice the time normally required for such work and a reduction of the labor charge is in order.

The item of 10% added to labor costs is normally covered in the overhead charge. If the overhead of 15% listed does not include the insurance and tax items, an itemized breakdown of the overhead items must be submitted to substantiate the charge.

The question of the inclusion of a sales tax on materials purchased for Government use has been previously raised and the matter is still pending.

Since the duct lining is desired, you are herewith directed to proceed with the work as outlined in the proposal, a fair price for the work to be the subject of future negotiation.

Very truly yours,

25X1A

[REDACTED]
Contracting Officer

RE/ATD/jm (8 Feb. 1954)
Distribution:
[REDACTED]

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